

# House Energy Policy Committee

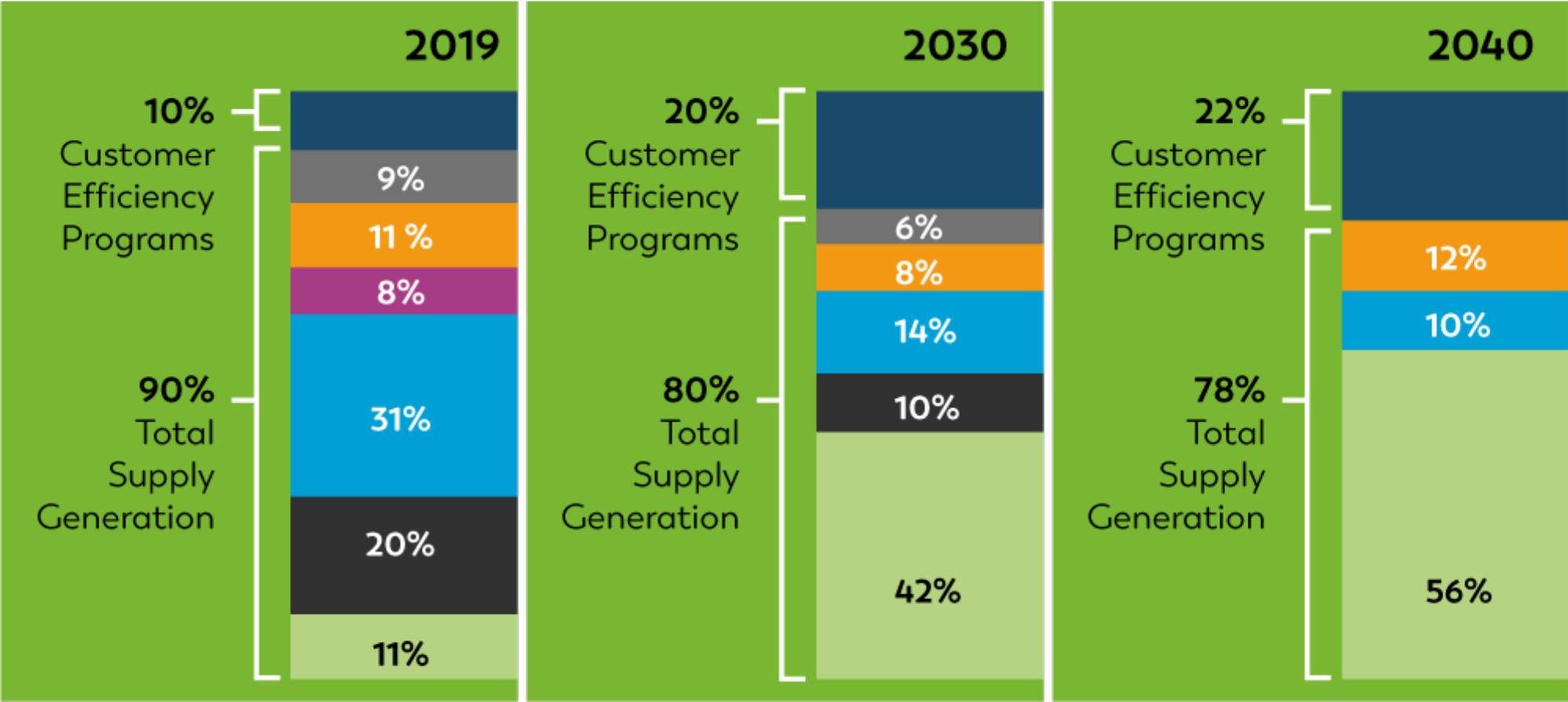
## House Bill 4236

Catherine Wilson

Executive Director, State Governmental Affairs

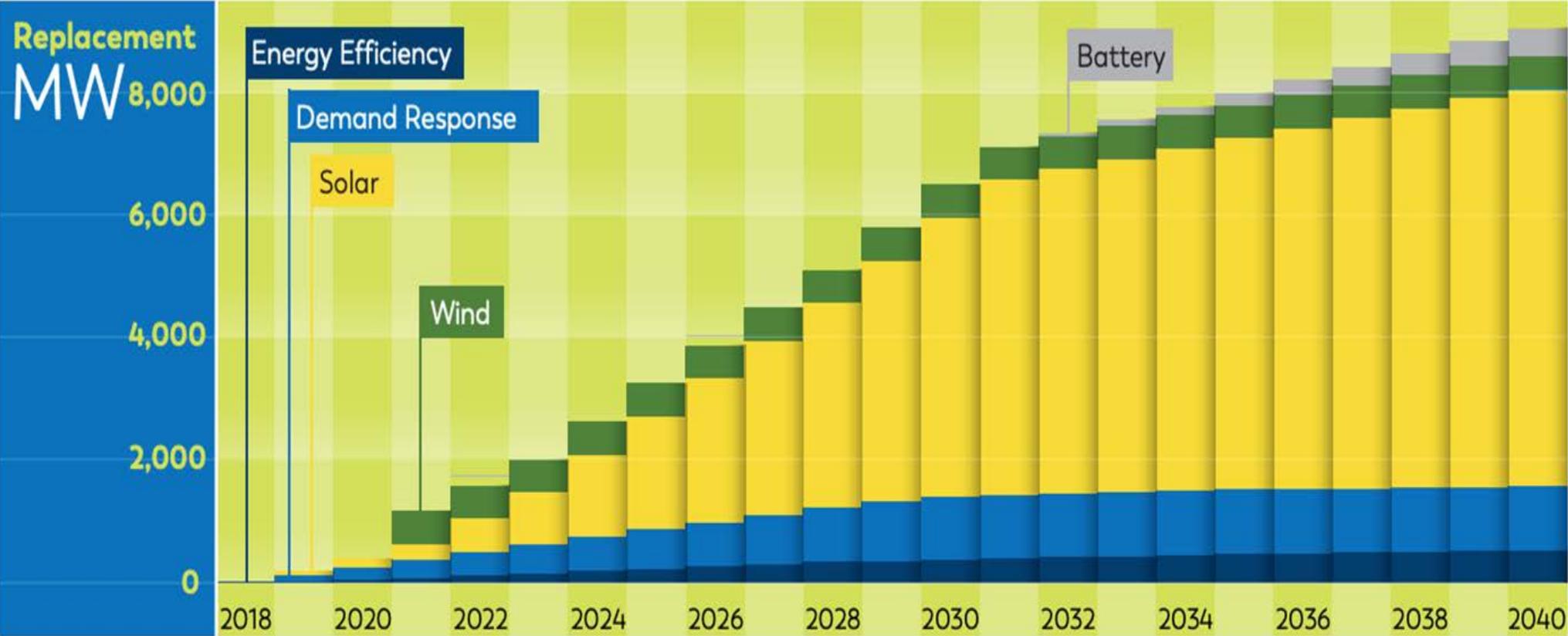
February 17, 2021

# Through our Clean Energy Plan, Consumers Energy will meet customers' electricity needs with 90% clean energy resources



■ Renewable 
 ■ Coal 
 ■ Natural Gas 
 ■ Nuclear 
 ■ Energy Storage 
 ■ Oil and Natural Gas Peaking Plants

We make clean energy affordable by reducing our peak demand and using competitively-bid solar to replace existing resources



# While the inflow/outflow compensation methodology resulting from the 2016 energy law is an improvement, subsidies for solar remain

Inflow/Outflow does not eliminate Cross-customer Subsidization of Solar

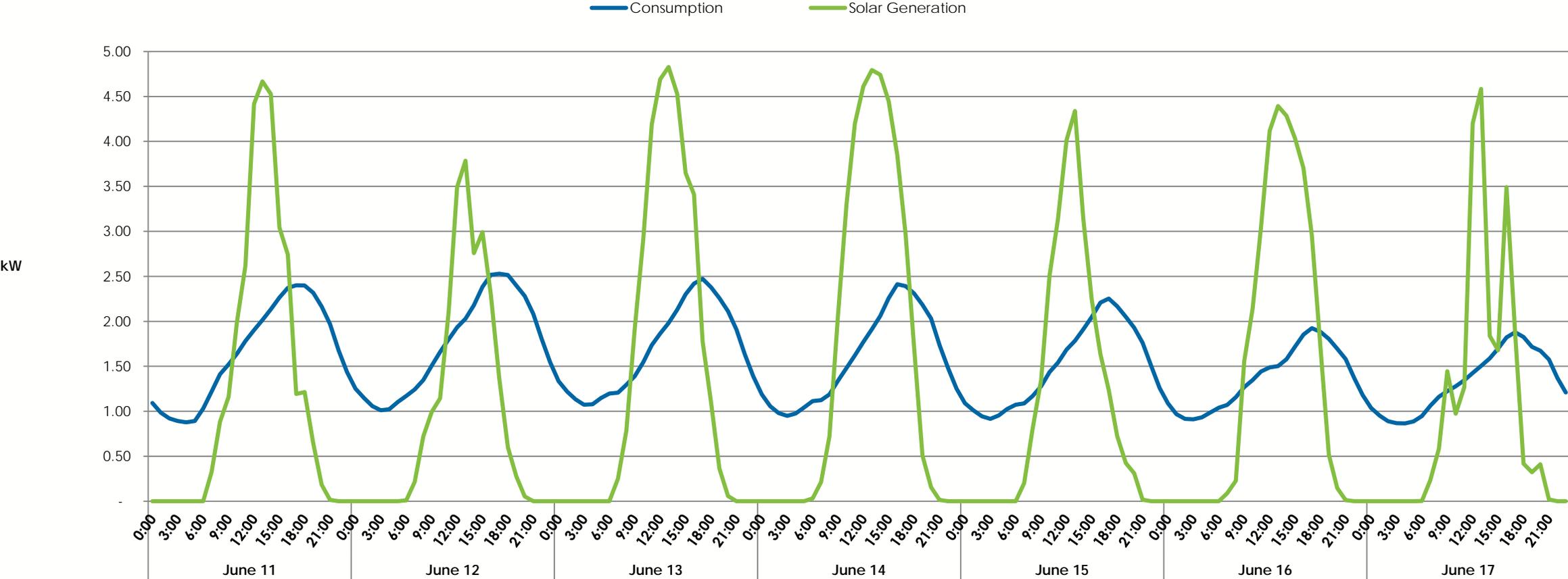


## Cross-Customer Subsidies

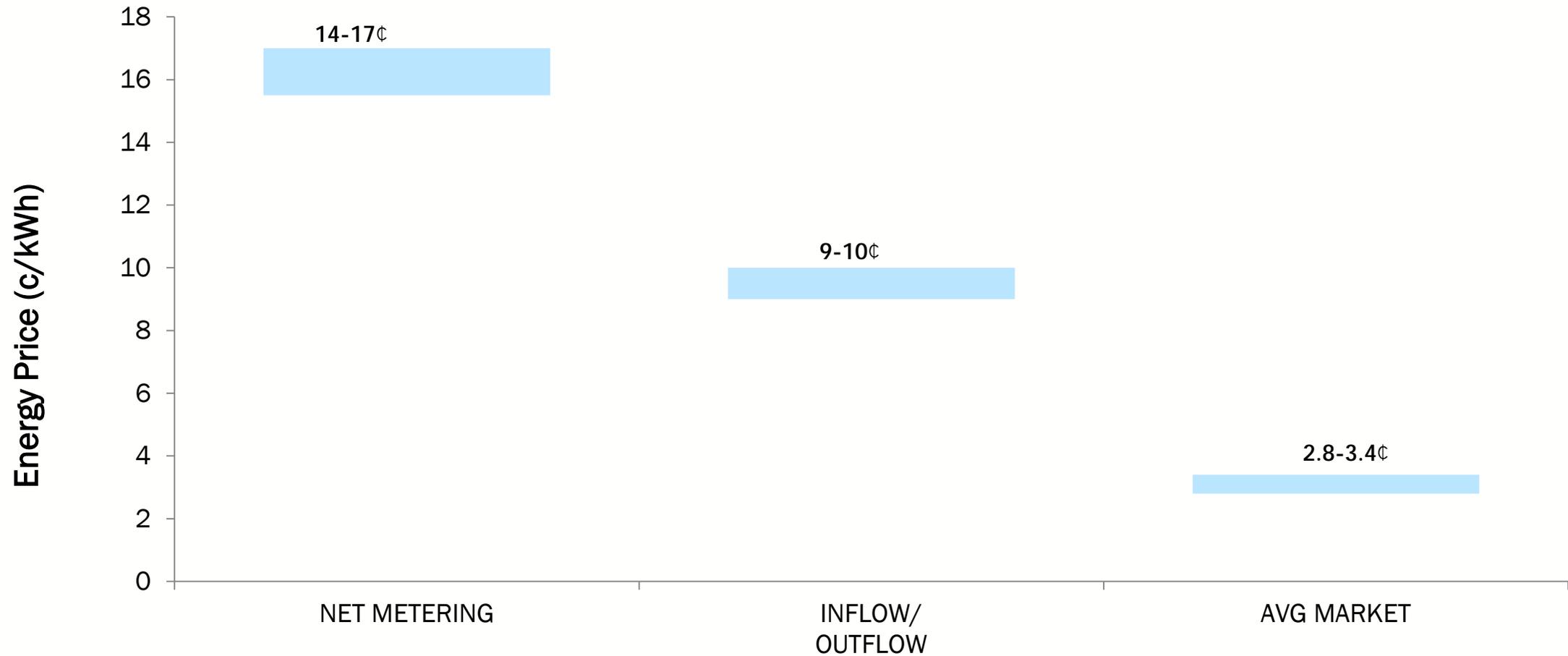
- 1 Current rate design results in customers with solar underpaying for the value they receive from the grid, especially the value provided by the transmission and distribution networks
- 2 Solar generation that is not needed by the solar participant for instantaneous consumption is put onto the grid with non-participants obliged to purchase this unused energy at a price above its market value

# Distributed solar systems still rely on the power grid to meet their energy needs every hour of every day

Hourly Residential Distributed Generation  
7 kW Solar PV – [June 11-17, 2018 CE data]



# An uncapped inflow/outflow approach would still result in customers with rooftop solar not paying their fair share of the costs of the grid



Energy prices reflect price paid for excess generation beyond on-site usage